



Where ideas connect

Department of Environmental Quality
Division of Drinking Water

Michael O. Leavitt
Governor

Dianne R. Nielson, Ph.D.
Executive Director

Kevin W. Brown, P.E.
Director

150 North 1950 West
P.O. Box 144830
Salt Lake City, Utah 84114-4830
(801) 536-4200
(801) 536-4211 Fax
(801) 536-4414 T.D.D.
drinkingwater.utah.gov

Drinking Water Board

Boyd Workman
Chairman

Dale F. Pierson
Vice-Chairman

Myron Bateman

Anne Erickson, Ed.D.

Jay W. Franson, P.E.

Laurie McNeill, Ph.D.

Nancy Melich

Dianne R. Nielson, Ph.D.

Ruth Perry

Charlie Roberts

Chris Webb

MINUTES OF THE DECEMBER 6, 2002 DRINKING WATER BOARD MEETING HELD IN
SALT LAKE CITY, UTAH

Board Members Present

Boyd Workman, Chairman
Dale Pierson, Vice Chairman
Myron Bateman
Laurie McNeill, Ph.D.
Nancy Melich
Dianne Nielson, Ph.D.
Charlie Roberts
Chris Webb

Guests

Curtis Ludvigson, Rural Water Association
Christopher Morley, Attorney General's Office
Russ Donoghue, Rural Water Association
Earl Seeley, Skyline Mountain SSD
Max Henrie, Skyline Mountain SSD
Marshall Fox, Skyline Mountain SSD
Scott Paxman, Weber Basin WCD
Fred Nelson, Attorney General's Office

Board Members Excused

Anne Erickson, Ed.D.
Jay Franson, P.E.
Ruth Perry

Staff

Kevin Brown
Michael Georgeson
Ken Bousfield
Linda Matulich
Bill Birkes
Nathan Lunstad
Tim Pine
Mike Johanson
Bob Lowe
John Oakeson
Tiffany Antioquia

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Workman presiding. The meeting was called to order at 11:05 a.m.

ITEM 2 – ROLL CALL

Chairman Workman asked Kevin Brown to call roll of the Board members. The roll call showed there were 6 members present at the time.

ITEM 3 – INTRODUCTIONS

Chairman Workman welcomed everyone and asked the guests to introduce themselves.

ITEM 4 - APPROVAL OF MINUTES

Chairman Workman stated a motion to approve the November 8, 2002 minutes would be in order.

Dale Pierson moved the Board approve the November 8, 2002 minutes.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report – Vice Chairman Pierson

2) Status Report

Michael Georgeson reported the Board's sales tax revenue has been updated to \$127,000. The Security Account now has \$905,000, the Secondary Account \$554,000, and the Hardship Grants Account \$261,000. These new totals give the State SRF Account a balance of \$1,721,000. Staff has been answering some questions on the 1/16% Sales Tax issue.

Mike mentioned the repayments should start coming in next week. Staff should start seeing more money in the repayments account in the next month or so. The interest payment of \$77,388 was made on the pledged bonds for the month of December.

Mike reported the Board has a total of \$7 million available in Federal SRF program.

Mike said staff closed Emigration's loan last month. Staff is talking with Monte Vista on the possibility of regionalization. Monte Vista may be able to annex to Cedar City's drinking water system. Monte Vista's environmental work has been completed. Panguitch's concerns have been addressed. Staff has had some issues on Wendover's project.

Mike updated the Board on the Mexican Hat project. The Tribe has broken off negotiations with Mexican Hat. The Tribe was unable to come to an agreement with Mexican Hat on building a treatment plant or operating a treatment plant on the south side of the river. Mexican Hat is looking at installing a reverse osmosis project to treat the groundwater from the present wells.

Mike said Garden City is drilling a well in the spring area and hopes to find a source that won't be classified as under the direct influence. This will help Garden City avoid constructing a water treatment plant.

Mike reported there is a draft copy of the Financial Assistance Submittal Schedule in the Status Report Section for informational purposes.

Mike said at the September Board meeting, the Board authorized a Federal SRF loan to Daniel's Domestic/Billy Bethers for \$407,000 with 70% principle forgiveness to Billy Bethers and a little lesser amount to Daniel's Domestic with 20% principle forgiveness. Staff was able to meet with Daniel's Domestic in November. Daniel's Domestic expressed some concerns that they did not receive the same consideration as Billy Bethers. At this time, the joint Daniel's Domestic/Billy Bethers project has dissolved and we are now searching for another solution for Billy Bethers.

Mike and Bill passed out a copy of a presentation EPA put together on a national impact of the Federal SRF program. Mike commented on the handout.

Discussion followed.

State SRF Applications

a) Pledge Bond Substitution

Dale Pierson mentioned Woods Cross has made a request to redeem their bonds.

Chris Webb joined the meeting.

Mike Georgeson described the Pledge Bond Substitutions process to bring the new Board members up-to-date on the program. Woods Cross' bond annual payments are about \$136,000. With the redemption of Woods Cross' bonds, the Board's pledged bond payments will fall beneath the 110% requirement. Staff recommends the Board designate the three bonds listed under the SRF Committee Recommendation as substitute bonds which include: Price City Series 1995A, Santa Clara Series 1996B and Washington City Series 6000B, with a total rounded payment of \$165,000. By using the three bonds, the coverage ratio will raise to 111%. The \$165,000 is in excess of Woods Cross' payment of \$136,000, but there is a larger payment on the recapitalization bonds due in June 2003, and the difference will cover the payment.

Discussion followed.

Chris Webb moved the Board approve the SRF/Conservation Committee recommendation to designate the substitute pledge bonds: Price City's bond, Series 1995A, in the original principal amount of \$1,250,000 and annual payments of about \$64,000; Santa Clara's bond, Series 1996B, in the original principal amount of \$500,000 and annual payments in the amount of about \$32,000; and Washington City's bond, Series 2000B, in the original principal amount of \$1,150,000 and annual payments of about \$69,000. This will provide the pledged bond account of about \$1,237,412 annually, about 111% of the required Refunding Bond payments with the redemption of the Woods Cross Series 1990 Bond.

Boyd Workman seconded.

**CARRIED
(Unanimous)**

b) Skyline Mountain Special Service District Planning Advance

Bill Birkes reported Skyline Mountain Special Service District is a private resort near Highway 89 in Sanpete County. The resort started out as an RV resort. They have put in a lot of improvements. The developers started selling lots higher up on the mountain around 1997. The County formed the Skyline Mountain Special Service District due to a lack of water on the mountain. The county made some requirements on completion of a master plan to allow for the present lots in the Service District to be built. The District contracted Franson-Noble Engineers to evaluate some alternatives to help create a master plan for them. Roger Foisy reviewed the master plan and concurred with the plan. The estimated cost of the project is \$20,000. The District indicated they are willing to contribute \$10,000 toward the project. The District is requesting \$10,000 from the Board. The SRF/Conservation Committee is recommending the Board deny the request, unless the District can convince the Board otherwise.

Dale Pierson and Chris Webb expressed their concerns on the project.

Earl Seeley, Max Henrie and Marshall Fox, representing Skyline Mountain Special Service District, were present.

Mr. Seeley addressed the Board.

Discussion followed.

Dianne Nielson joined the meeting during the discussion.

Boyd Workman moved the Board adopt the SRF/Conservation Committee's recommendation to deny funding for Skyline Mountain Special Service District's master plan.

Myron Bateman seconded.

CARRIED

Dianne Nielson abstained from voting.

Seven voted in favor of the motion.

ITEM 6 – ADOPTION OF 2003 BOARD MEETING SCHEDULE

Chairman Workman stated a motion to approve the 2003 Board Meeting Schedule would be in order.

Dale Pierson moved the Board approve the 2003 Board meeting schedule.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

ITEM 7 – REPEAL OF RULE R309-710

Bob Lowe reported the purpose of Rule R309-710 was to help small communities with funding to complete their drinking water source protection plans. The funds were given to the states from the federal government. The deadline for submitting the applications and using the funds has expired. Staff is requesting the Board repeal Rule R309-710.

Myron Bateman moved the Board authorize staff to repeal the Rule R309-710.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

ITEM 8 – RULE ADOPTION OF R309-100, 105, 110, 200, 205, 210, 215, 225, 525, AND 530

Ken Bousfield reported a number of rules were presented to the Board at the October 11, 2002, at which time the Board authorized staff to proceed with rulemaking. The rulemaking covers adoption of a state based rule corresponding with the federal: Interim Enhanced Surface Water Treatment Rule, the Stage 1 Disinfection/Disinfection By-Products Rule and the Radionuclide Rule. Staff has a deadline of December 16, 2002 for submitting the Enhanced Surface Water Treatment Rule and the Disinfection/Disinfection By-Products Rule to EPA for primacy approval. The comment period is complete, and no comments were received. Staff is requesting the Board authorize staff to proceed with rulemaking.

Discussion followed.

Chris Webb moved the Board authorize staff to proceed with filing the appropriate forms with the Division of Administrative Rules on Rules R309-100, 105, 110, 200, 205, 210, 215, 225, 525, and 530.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

Chris Webb amended his motion to include an effective date of December 9, 2002.

Nancy Melich seconded the amended motion.

**CARRIED
(Unanimous)**

ITEM 9 – RULE AMENDMENT TO R309-405

Ken Bousfield reported the Administrative Penalty Rule R309-405 revisions were on the agenda for the November 8, 2002 Board meeting. However, the item was deferred to this meeting to enable staff to work through some legal issues with Fred Nelson. Staff received input from Fred and are now requesting permission to proceed with rulemaking.

Because of the sensitive nature of this rule revision, Ken recommended that public meetings be held to actively seek comments. Staff is requesting that at least one Board member attend each of the public meetings. By having a Board member present at each public meeting, the Board member could, express independence from the staff in the event of an appeal.

Fred Nelson, Attorney General's Office, addressed the Board.

Discussion followed.

Dale Pierson moved the Board authorize staff to proceed with filing Rule R309-405, along with the appropriate forms with the Division of Administrative Rules. Further, staff should actively seek public comments, along with a representative Board member.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

Discussion followed.

ITEM 10 – TDS VARIANCE FOR THE TOWN OF HINCKLEY

Ken Bousfield reported the Town of Hinckley has been experiencing some TDS water quality problems in their well. The TDS levels are exceeding the first stage of the drinking water standards of 1,000 mg/l. The community is located in an area with several other water systems that having Arsenic problems as well. The communities are joining together to try to solve the Arsenic problems. Hinckley is requesting they be allowed to continue using their existing source until they have a new system in place. Hinckley is looking at having their system in place in a year.

The Board's rules allow TDS levels up to 2,000 mg/l if they can demonstrate that no better water is available. Staff recommends that the Board grant the use of this source for another year to enable the community to obtain better water. Staff further recommends that the Board allow the community to petition the Board for an additional one year extension to accommodate unforeseen difficulties in implementing an area wide solution.

Myron Bateman moved the Board authorize staff to approve the Town of Hinckley's request to continue use of the well for another year on a year-by-year basis.

Chris Webb seconded.

**CARRIED
(Unanimous)**

ITEM 11 - CHAIRMAN'S REPORT

Chairman Workman wished everyone a Merry Christmas. Chairman Workman thanked everyone for their support this past year.

Chairman Workman mentioned he went to a meeting regarding the 1/16% sales tax issue last week, and reported on the meeting.

Discussion followed.

ITEM 12 – DIRECTORS REPORT

a) Introduction of the New FTE's

Kevin Brown introduced the new staff members: Nathan Lunstad, Michael Johanson, John Oakeson, and Tiffany Antioquia, and asked them to tell the Board a little about themselves.

The new staff members addressed the Board.

b) Legislative Update

Kevin Brown mentioned he e-mailed the Board some information on the sales tax issue that Fred Finlinson put together about two weeks ago. Not much has changed.

Kevin mentioned the other piece of legislation is on Source Water Protection. Staff anticipates the Legislature will move forward on this issue. Fred Finlinson will be asking the Legislature to allow the Source Water Protection Task Force to come to the Legislature in 2004 with a solution.

Kevin updated the Board on the Security Issue, the Tampering Issue and the Wendover City issue.

Discussion followed.

ITEM 13 – UPDATE AND COPY OF 2003 UTAH WATER USERS’ WORKSHOP FLYER

The update and 2003 Utah Water User’s Workshop Flyer is in the packet.

ITEM 14 – NEXT BOARD MEETING

The next Board meeting is scheduled for January 10, 2003 in Salt Lake City.

ITEM 15 – OTHER

No other business.

ITEM 16 – ADJOURN

Chairman Workman stated a motion to adjourn the Board meeting would be in order.

Charlie Roberts moved to adjourn the Board meeting at 12:30 p.m.

Chris Webb seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary